

PETER C. ANDERSON
United States Trustee
Kenneth M. Miskin (SBN 349167)
Assistant United States Trustee
Leslie A. Skorheim (SBN 293596)
Attorney for the U.S. Trustee
Ronald Reagan Federal Building
411 West Fourth Street, Suite 7160
Santa Ana, CA 92701-8000
Tel: (714) 338-3406
Fax: (714) 338-3421
Email: leslie.skorheim@usdoj.gov

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

In re:

THE LITIGATION PRACTICE
GROUP, P.C.,

Debtor.

Case Number 8:23-bk-10571-SC

Chapter 11

UNITED STATES TRUSTEE'S STATUS
REPORT IN RESPONSE TO THE
COURT'S SUA SPONTE REQUEST
[DOCKET #128]

[no hearing]

**TO THE HONORABLE SCOTT CLARKSON, UNITED STATES
BANKRUPTCY JUDGE, DEBTOR, DEBTOR'S COUNSEL, CHAPTER 11
TRUSTEE, AND ALL PARTIES IN INTEREST:**

The United States Trustee ("U.S. Trustee") files this status report in response to the Court's Sua Sponte Request filed on June 22, 2023, as Docket # 128. The Court has requested the U.S. Trustee to report on his intentions to appoint a committee to represent the interests of the clients/customers of the Debtor.

In his opposition to *Emergency Motion Authorizing the Chapter 11 Trustee to Enter Into an Expense Reimbursement Agreement with the Ad Hoc Committee* ("Opposition to AHC Motion") [Docket No. 127], the U.S. Trustee briefly explains the efforts taken thus

1 far in appointing an official committee of unsecured creditors under 11 U.S.C. § 1102
2 (“Official Committee”). Specifically, the U.S. Trustee initially solicited the creditors listed
3 on the top 20 largest creditors list filed by the Debtor, but the U.S. Trustee did not appoint
4 an Official Committee under § 1102 because of an insufficient number of unsecured
5 creditors willing or able to serve. Nonetheless, the U.S. Trustee re-solicited creditors to
6 serve on the Official Committee.

7 **A. Status of Re-Solicitation**

8 A second solicitation notice was sent on June 14, 2023, to a total of 50 parties based
9 on proof of claims filed as of June 5, 2023.¹ The deadline to respond is June 23, 2023, by
10 close of business. The U.S. Trustee is still receiving interest from unsecured creditors.

11 As of June 21, 2023, the U.S. Trustee received six affirmative responses to the
12 second solicitation notice. The U.S. Trustee scheduled interviews with all six for June 22,
13 2023. Five of the six creditors were interviewed for committee membership, and one
14 individual did not attend the scheduled interview.

15 Additionally, the U.S. Trustee received affirmative responses from the initial
16 solicitation in March from Debt Validation Fund II, LLC and MC DVI Fund I, LLC & MC
17 DVI Fund II, LLC. The U.S. Trustee has inquired whether they are still interested in
18 serving on the Official Committee. On the evening of June 23, 2023, both creditors
19 responded that they were still interested in serving on the committee. The U.S. Trustee will
20 interview both creditors the week of June 26, 2023, and will file an amended notice of
21 appointment if the U.S. Trustee determines that they should serve on the committee.

22 **B. The Proposed Ad Hoc Committee**

23 On June 16, 2023, the Chapter 11 Trustee’s counsel informed the U.S. Trustee of the
24 names of the three proposed members of the Ad Hoc Committee: Blanche Whealdon,
25

26 ¹ As of June 5, 2023, there were 60 proof of claims that had been filed. From this list, the U.S. Trustee removed
27 seven government agencies as they cannot serve on the Official Committee, removed two parties that had received
28 the initial solicitation in March and either did not respond or declined to serve on the Official Committee, and
removed one duplicate claim. This created the list of 50 parties there were served the second solicitation notice.

1 Abby Beaudin, and Heidi Hirsh. Since both Ms. Whealdon and Ms. Beaudin had filed
2 proofs of claim (Claims Nos. 48 and 50, respectively), the U.S. Trustee had already sent
3 them the second solicitation notice and creditor committee solicitation form.

4 Ms. Whealdon returned the form to the U.S. Trustee indicating her willingness to
5 serve on the Official Committee. The U.S. Trustee scheduled a phone interview with Ms.
6 Whealdon for June 22, 2023, at 12:00 p.m. However, Ms. Whealdon did not appear for the
7 interview. The U.S. Trustee will attempt to reschedule her interview for the week of June
8 23, 2023.

9 Ms. Beaudin returned her solicitation form to the U.S. Trustee on the evening of June
10 22, 2023, with a signed copy of her engagement letter with Pachulski. The U.S. Trustee
11 intends to interview her for committee membership the week of June 23, 2023. the week of
12 June 26, 2023.

13 The U.S. Trustee did not send a solicitation form to Ms. Hirsh because she had not
14 filed a proof of claim.

15 **C. Status of Official Committee of Unsecured Creditors Formation**

16 From the second solicitation, the U.S. Trustee received sufficient responses to be
17 able to appoint an Official Committee that is representative of all unsecured creditors in
18 this case. As such, the U.S. Trustee has appointed an Official Committee of Unsecured
19 Creditors. *See* Notice of Appointment at ECF No. 134.²

20
21 Respectfully submitted,
22 PETER C. ANDERSON
23 UNITED STATES TRUSTEE

24 DATED: _____

25 By: _____
26 Kenneth Miskin
27 Assistant U.S. Trustee
28

² The U.S. Trustee reserves the right to file an amended notice of appointment to add additional committee members, and if the U.S. Trustee determines to be appropriate, to form additional committees to ensure adequate representation of all unsecured creditors.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

OFFICE OF THE UNITED STATES TRUSTEE, 411 WEST FOURTH ST., SUITE 7160, SANTA ANA, CA 92701

A true and correct copy of the foregoing document entitled **UNITED STATES TRUSTEE'S STATUS REPORT IN RESPONSE TO THE COURT'S SUA SPONTE REQUEST [DOCKET #128]**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On June 23, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Eric Bensamochan eric@eblawfirm.us, G63723@notify.cincompass.com
- Ronald K Brown ron@rkbrownlaw.com
- Christopher Celentino christopher.celentino@dinsmore.com, caron.burke@dinsmore.com
- Shawn M Christianson cmcintire@buchalter.com, schristianson@buchalter.com
- Randall Baldwin Clark rbc@randallbclark.com
- Christopher Ghio christopher.ghio@dinsmore.com
- Richard H Golubow rgolubow@wghlawyers.com, jmartinez@wghlawyers.com;svillegas@wghlawyers.com
- D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com;kfrederick@ecf.courtdrive.com;cmendoza@marshackhays.com;cmendoza@ecf.courtdrive.com
- Alan Craig Hochheiser ahochheiser@mauricewutscher.com, arodriguez@mauricewutscher.com
- Garrick A Hollander ghollander@wghlawyers.com, jmartinez@wghlawyers.com;svillegas@wghlawyers.com
- Joon M Khang joon@khanglaw.com
- Ira David Kharasch ikharasch@pszjlaw.com
- David S Kupetz David.Kupetz@lockelord.com, mylene.ruiz@lockelord.com
- Christopher J Langley chris@slclawoffice.com, omar@slclawoffice.com;langleycr75251@notify.bestcase.com;ecf123@casedriver.com
- Daniel A Lev daniel.lev@gmlaw.com, cheryl.caldwell@gmlaw.com;dlev@ecf.courtdrive.com
- Michael D Lieberman mlieberman@lipsonneilson.com
- Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com;ecf.alert+Marshack@titlexi.com
- Laila Masud lmasud@marshackhays.com, lmasud@ecf.courtdrive.com;kfrederick@ecf.courtdrive.com
- Kenneth Miskin Kenneth.M.Miskin@usdoj.gov
- Byron Z Moldo bmoldo@ecjlaw.com, amatsuoka@ecjlaw.com,dperez@ecjlaw.com
- Alan I Nahmias anahmias@mbn.law, jdale@mbnlawyers.com
- Victoria Newmark vnewmark@pszjlaw.com

- Queenie K Ng queenie.k.ng@usdoj.gov
- Teri T Pham tpham@enensteinlaw.com, 3135.002@enensteinlaw.com
- Douglas A Plazak dplazak@rhlaw.com
- Ronald N Richards ron@ronaldrichards.com, 7206828420@filings.docketbird.com
- Gregory M Salvato gsalvato@salvatoboufadel.com,
calendar@salvatolawoffices.com;jboufadel@salvatoboufadel.com;gsalvato@ecf.inforuptcy.com
- Olivia Scott olivia.scott3@bclplaw.com
- Jonathan Serrano jonathan.serrano@dinsmore.com
- Paul R Shankman PShankman@fortislaw.com, info@fortislaw.com
- Leslie Skorheim leslie.skorheim@usdoj.gov
- Andrew Still astill@swlaw.com, kcollins@swlaw.com
- United States Trustee (SA) ustpregrion16.sa.ecf@usdoj.gov
- Johnny White JWhite@wrslawyers.com, jlee@wrslawyers.com;eweiman@wrslawyers.com

2. SERVED BY UNITED STATES MAIL: On **June 23, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **June 23, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Judge Clarkson – bin on the 5th floor

DATED: 6/23/23 Leslie Skorheim /s/ Leslie Skorheim